

CFO APPROVED

Report ID: CC_0022

Requesting BL: CORPT

Unit of measure: \$ Thousands

Federal Columbia River Power System
Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative
 Through the Month Ended November 30, 2004 as of November 30, 2004
 Preliminary/ Unaudited

Data Source: EPM Data Warehouse

Run Date: December 10, 2004

Run Time: 07:54

| | A | B | C | D | E | F <Note 9 | G <Note 7 |
|--|---------------------|--|---------------------|---------------------|---------------------|------------------------|-----------------------------|
| | Actuals: FY 2000 | Actuals: FY 2001 | Actuals: FY 2002 | Actuals: FY 2003 | Actuals: FY 2004 | Target SOY: FY 2005 | Forecast: QTR FY 2005 |
| Power Business Line (PBL) | | | | | | | |
| 1 PBL Net Revenue (Expense) <Note 1 | 252,130 | (380,538) | (87,421) | 242,996 | 319,256 | 81,153 | |
| PBL Modified Net Revenue Adjustments: | | | | | | | |
| 2 SFAS 133 Adjustments (MTM) <Notes 1, 2 | | (120,614) | 38,354 | 55,265 | 89,452 | | |
| 3 ENW Debt Adjustments | (81,677) | (157,853) | (264,697) | (148,085) | (151,275) | (18,950) | |
| 4 PBL Modified Net Revenue Adjustments <Note 3 | (81,677) | (37,239) | (303,051) | (203,350) | (240,727) | (18,950) | |
| 5 PBL Modified Net Revenue <Note 4 | 170,453 | (417,778) | (390,472) | 39,646 | 78,529 | 62,203 | |
| 6 PBL Accumulated Net Revenue (GRSP Defined) <Note 5 | 170,453 | (247,325) | (637,797) | (598,151) | (519,622) | (457,419) | |
| 7 FBCRAC Threshold Amount <Note 6 | -- | (386,000) | (408,000) | (378,000) | (264,000) | (252,000) | (252,000) |
| 8 | | MNR Improvements Required to not trigger FBCRAC | | | | | |
| 9 FCRPS Modified Net Revenue <Note 8 | 159,300 | (374,640) | (346,387) | 36,874 | 66,327 | 63,129 | |

<1 Includes \$168,491k unrealized loss due to the Cumulative Effect of Change in Accounting Principle for SFAS 133, which was posted to FY 2001. This amount is excluded when calculating the MNR.

Prior report releases and presentations reported the net effect of this change, resulting in previously reported amounts of \$(212,043.18)k for PBL Net Revenue (Expense), and \$(205,730.03) for PBL MNR Adjustment.

<2 Revenue Adjustments reflect impacts from SFAS 133 that are subtracted from net revenue, while ENW Debt Service adjustments reduce MNR if rate case amounts exceed actual ENW Debt Services expenses.

<3 Consistent with the GRSP's, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Financial and Safety-net Cost Recovery Adjustment Clause.

The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities); for Debt Service, the MNR excludes actual ENW debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.

<4 FYTD PBL MNR equals \$69 million and FYTD FCRPS MNR equals \$67 million.

<5 The GRSP's definition of the Accumulated Net Revenue (ANR) differs from the accounting standard definition of ANR. The GRSP's defined ANR is used in determining the FBCRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and ENW debt refinancing activities (see note 1.)

<6 In accordance with the GRSP's, the FBCRAC thresholds were established to provide an upward adjustment to rates to address declining financial circumstances.

The thresholds are established as a benchmark in which to evaluate the financial condition. The FBCRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SNCRAC thresholds each time the SNCRAC thresholds are recalculated. [SN-03-A-02]

<7 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices.

This report is not an absolute prediction of future revenues or costs, nor does it reflect the actual ANR for the end of the fiscal year, (unless otherwise indicated.)

This report should not be used for investment purposes, nor is it a guarantee that the actual ANR will be achieved as forecasted.

<8 Because the FCRPS MNR excludes actual ENW debt service amounts and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies, the FCRPS MNR removes the effect of debt refinancing from BPA's annual financial activities.

<9 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.